

**Save San Francisco Bay Association
Environmental Defense Fund
Natural Resources Defense Council
The Bay Institute of San Francisco**

March 24, 1999

Lester Snow
CALFED Bay-Delta Program
1416 Ninth Street, 11th Floor
Sacramento, CA 95814

Dear Lester,

We write to provide our comments on the February, 1999 draft Integrated Storage Investigation (ISI) white paper. We support an integrated approach, both to the evaluation of storage and to the evaluation of an overall water management strategy. We are encouraged that the ISI represents a first step towards addressing critical issues which we have raised for some time. However, as drafted the ISI does not provide a truly integrated and comprehensive approach to resolving storage-related issues in the CALFED process, primarily because it fails to ask the critical questions.

Because the next key decision point for CALFED is the release of a draft preferred alternative, our comments address the extent to which the ISI outlines an analytical process which will provide the answers which CALFED and stakeholders will need to craft and evaluate a preferred alternative. We have attached detailed comments, which are summarized below:

- The evaluation of storage must take place within the context of a comprehensive and integrated Water Management Strategy, including specific water supply reliability objectives. The ISI must not simply assume that additional surface storage is necessary.
- The ISI must establish clear operational criteria and assurances for any proposed new storage facilities. Clear operational criteria are needed to indicate how CALFED intends to balance alleged benefits of new surface storage facilities, some of which may be in direct conflict with each other (e.g. increased flood reservation capacity and increased water supply).
- The economic analysis of water management options and the CALFED financing strategy must reflect the same operating assumptions utilized in the ISI. Without a specific plan for the operation of new facilities, it is not possible to evaluate cost and alternatives, or to determine beneficiaries for a financing strategy based on CALFED's "beneficiaries pay" principle.

- Developing a financing strategy must be an early priority for the ISI. Given the cost of new facilities, financing will have a profound effect on the final preferred alternative.
- CALFED must thoroughly investigate the potential impacts and alleged environmental benefits of new storage in its ecosystem restoration program, and apply these findings in the ISI.
- The ISI should reflect the fact that the reoperation of existing hydroelectric facilities will not produce "new" water.
- The ISI must distinguish between work needed to make programmatic decisions regarding new surface storage and site specific investigations which will be used to justify specific projects.
- The ISI must be carefully constructed to meet the requirements of Section 404 of the Clean Water Act and other environmental laws.
- The ISI must provide a firm foundation for a science-driven, objective evaluation of dam removal opportunities.
- The ISI must address key groundwater and conjunctive use management issues.

We are strongly supportive of the goal of developing a truly integrated and comprehensive ISI and Water Management Strategy and look forward to working with you to refine the current drafts.

Sincerely,



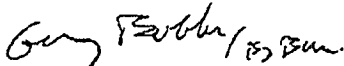
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